



INDEPENDENT ACCOUNTANT'S REPORT

The Board of Supervisors
County of San Luis Obispo
San Luis Obispo, California

We have performed the procedure, noted below, which was agreed to by you, to the accounting records of the County of San Luis Obispo, solely to assist you in connection with a determination as to whether the schedule known as the Los Osos Landfill Financial Means Test Certification – Alternative I, is accurate as compared to the audited financial statements for that period. This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

- We compared the information contained in the worksheet entitled “Alternative I” with the information contained in the audited financial statements.

Results:

There were no differences between the information reported in the worksheet entitled “Alternative I” and the audited financial statements of the County of San Luis Obispo for the year ended June 30, 2014.

We were not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion on the specified item. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the California Integrated Waste Management Board, Board of Supervisors, and management of the County of San Luis Obispo and is not intended to be and should not be used by anyone other than these specified parties.

Roseville, California
December 22, 2014

ALTERNATIVE I

(Omit if using Alternative II)

- | | | | | |
|----|-----------------------------------|-------------------------------------|----|-----------|
| 1. | Specify amounts of coverage | Post closure Maintenance Costs..... | \$ | 3,177,569 |
| | | Corrective Action Costs | \$ | 1,035,979 |
| | | TOTAL COSTS | \$ | 4,213,548 |
2. Is the local government currently in default on any outstanding general obligation bonds? Yes ☐ No ☒
3. Does the local government have any outstanding general obligation bonds rated lower than Baa by Moody's or BBB as issued by Standard and Poor's?..... Yes ☐ No ☒
4. Has the local government operated at a deficit equal to five percent or more of total annual revenue in each of the past two fiscal years? Yes ☐ No ☒
5. Has the local government received an adverse opinion, disclaimer of opinion, or other qualified opinion from the independent certified public accountant (or appropriate State agency) auditing its financial statement as required under §22249(a)?.. Yes ☐ No ☒

If 2, 3, 4 or 5 = YES, STOP! The local government is NOT eligible to assure its obligations under §22249.

If 2,3,4, and 5 = NO, CONTINUE BELOW.

- | | | | |
|------|-------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|-------------|
| 6. | Sum of costs assured under §22249 (total of all costs shown above and including the two numbered paragraphs of the letter to CIWMB) | \$ | 4,213,548 |
| * 7. | Total annual revenue | \$ | 409,850,000 |
| * 8. | Cash | \$ | 139,239,999 |
| *9. | Marketable securities..... | \$ | 96,748,001 |
| 10. | Sum of cash and marketable securities (line 8 + line 9)..... | \$ | 235,988,000 |
| *11. | Total expenditures | \$ | 353,411,000 |
| *12. | Annual debt service..... | \$ | 6,070,000 |
| 13. | 43% Threshold Limit on Assured Costs:
Is line 6 = 43% or less of line 7?..... | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> | |
| 14. | Liquidity Ratio:
Is line 10 divided by line 11 greater than or equal to 0.05?..... | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> | |
| 15. | Debt Service Ratio:
Is line 12 divided by line 11 less than or equal to 0.20?..... | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> | |

I hereby certify that this letter is worded as specified by the California Integrated Waste Management Board and is being executed in accordance with the requirements of Title 27, California Code of Regulations, Division 2, Subdivision 1, Chapter 6, section 22249.

Signature JAMES P. ERB JAMES P. ERB
 Typed or Printed Name

CHIEF FINANCIAL OFFICER/AUDITOR-CONTROLLER 12-22-14
Title Date